

Message Text

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TO AMCONSUL SAO PAULO PRIORITY

INFO AMEMBASSY BRASILIA

AMCONSUL RIO DE JANEIRO

UNCLAS STATE 253433

E.O. 11652: N/A

TAGS: BRRO

SUBJ: BRAZILIAN COOPERATIVE FINANCING FACILITIES

FOR: MR. KEN VENTURA

1. WITH REF TO THE DISCUSSIONS OF MR. MCCULLOUGH AND MR. GIANTURCO OF EXIMBANK AND MESSRS. CHAPIN, CARLSON, AND VENTURA OF CONSULATE, THE FOLWG REVIEW WAS UNDERTAKEN BY EXIMBANK WITH REGARD TO CERTAIN BRAZILIAN BANKS THAT WERE DISCUSSED WITH THE AMCONSUL IN SAO PAULO.

A. EXIMBANK IS WILLING TO CONSIDER AN INCREASE IN BANCO CREFISUL'S CFF LINE PROVIDED WE ARE IN RECEIPT OF ITS AUDITED FINANCIAL STATEMENTS FOR 1973 AND 1974 AND LATEST INTERIM STATEMENT, IF AVAILABLE, PREFERABLY IN ENGLISH. CREFISUL HAS NOT REQUESTED AN INCREASE OR EXTENSION OF THE LINE SINCE JULY 1974. CREFISUL (MR. CARLOS ERNESTO DE OLIVEIRA) HAS BEEN UNCLASSIFIED

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NOTIFIED BY TELEX DATED OCT 23, 1975.

B. EXIMBANK IS PREPARED TO CONSIDER BOTH AN INCREASE (IF NEEDED) AND EXTENSION FOR CFF TO BANCO BRADESCO UPON RECEIPT OF ITS AUDITED FINANCIAL STATEMENTS FOR 1973 AND 1974, PREFERABLY IN ENGLISH. WE HAVE NOTIFIED MR. A.A. PASSOS CARDOSO BY TELEX DATED OCT 23, 1975.

C. BANCO REAL'S REQUEST FOR AN INCREASE IN THEIR CFF LINE IS PRESENTLY UNDER CONSIDERATION. THE STAFF IS AWAITING SOME ADDITIONAL FINANCIAL DATA TO BE PROVIDED BY REAL'S WASHINGTON REP, MR. RODRIGUEZ.

D. FURTHER CONSIDERATION OF BANCO DE INVESTIMENTOS LAR BRASILEIRO S.A., WILL NOT BE MADE UNTIL RECEIPT OF THEIR YEAR-END 1975 FINANCIAL STATEMENTS. THE BANK'S OPERATING TREND IS DOWNWARD AND LIQUIDITY IS POOR. MR. ROBERT H. BLOCKER HAS BEEN NOTIFIED OF THIS BY LETTER DATED SEPT 27, 1975. (ALSO TELEX DATED OCT 23, 1975.

E. AS A RESULT OF THEIR EXTREME OVER EXTENSION IN LENDING, BANCO DE INVESTIMENTO BCN'S REQUEST FOR AN INCREASE AND EXTENSION CANNOT BE APPROVED AT THIS TIME. FURTHER EXTENSION/ INCREASE WILL ONLY BE CONSIDERED UPON RECEIPT OF YEAR-END 1975 FINANCIAL STATEMENTS AND A CONTINUOUS SATISFACTORY REPAYMENT RECORD TO EXIMBANK ON OUTSTANDING EXPOSURE. MR. PEDRO TRABOLD JR., HAS BEEN ADVISED OF THIS DECISION BY TELEX DATED OCT 22, 1975.

F. A TELEX DATED OCT 15, 1975, WAS SENT TO BANCO ITAU DE INVESTIMENTO STATING THAT EXIMBANK WILL CONSIDER AN INCREASE IN ITS CFF UPON RECEIPT OF AUDITED FINANCIAL STATEMENTS REFLECTING THE EFFECT OF THE ACQUISITION OF BANCO PORTUGUES AND BANCO UNIAS ON THE FINANCIAL CONDITION OF BANCO ITAU. IT WAS EXIMBANK'S UNDERSTANDING THAT THESE STATEMENTS WERE TO BE PREPARED BY JULY 1975. BANCO ITAU HAS NOT YET RESPONDED TO OUR LATEST TELEX.

G. BASED ON AN IMPROVED FINANCIAL POSITION OF BANCO SAFRA DE INVESTIMENTO AND THE REDUCTION OF OUR EXPOSURE DUE TO THE BANK'S TIMELY REPAYMENTS TO EXIMBANK, AN EXTENSION CAN BE CON-

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SIDERED PROVIDED 1973 AND 1974 AUDITED FINANCIAL INFO IS FORWARDED, PREFERABLY IN ENGLISH. BANCO SAFRA HAS NOT REQUESTED AN EXTENSION OR INCREASE IN ITS CFF FOR THE PAST TWO YEARS.

2. SINCE OUR VISIT TO BRAZIL, EXIMBANK HAS APPROVED OR EXTENDED THE FOLLOWING BRAZILIAN CFF LINES:

A. 10/8 - BANCO DE DESENVOLVIMENTO DO ESTADO DE SAO PAULO -

INCREASE CFF FROM 20 TO 25 MILLION DOLLARS.

B. 10/15 - BANCO AYMORE DE INVESTIMENTO S.A., EXTENDED \$4 MILLION LINE FOR ONE YEAR.

C. 10/20 - BANCO IOCHPE DE INVESTIMENTOS S.A., A NEW \$2 MILLION CFF

3. AS REQUESTED IN CABLE 2192 DATED OCT 21, 1975, THE FOLWG BRAZILIAN BANKS HAVE OPERATIVE CFF LINES. AVAILABLE BALANCE DAA IS AS OF AUG 31, 1975:

BANK	CFF LINE (CREDIT & GUAR.)	BALANCE	EXPIRY DATE
A) BANCO DENASA	\$ 4.0 MILLION	\$44,000	12-31-75
B) BANCO DE DESEN- VOLVIMENTO DE MINAS GERAIS	\$ 5.0 "	\$2.5 MILLION	4-30-76
C) BANCO DE SESEN- VOLVIMENTO DO ESTADO DE SAO PAULO	\$25 "	\$13.5 MILLION	3-31-76
D) BANCO FINASA	\$ 8.9 "	\$2.5 MILLION	6-30-76
E) BANCO DE INVESTI- MENTO DO BRASIL	\$17 "	\$6.2 MILLION	5-31-76
F) BANCO DE DESEN- VOLVIMENTO DE ESPIRITO SANTO	\$ 2 "	\$1.98 MILLION	8-31-76
G) BANCO AYMORE	\$ 4 "	\$2.5 MILLION	10-31-76
H) BANCO AUXILIAR DE INVESTIMENTOS	\$ 2 "	\$ 150,000	1-31-76
I) BANCO DE BAHIA	\$ 2 "	\$ 600,000	1-31-76
J) BANCO BADEIRANTES	\$ 2 "	-0-	1-31-76

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K) BANCO BOZANO	\$ 7 "	\$ 500,000	6-30-76
L) BANCO BRADESCO	\$ 8 "	\$1.5 MILLION	11-30-75
M) BANCO BRASCAN	10 "	\$6 MILLION	6-30-75
N) BANCO DO BRASIL	\$100 "	\$95 MILLION	9-30-76
O) BANCO DE INVEST- IMENTO AMERICA DO SUL	\$500,000	-0-	6-30-76
P) BANCO IOCHPE DE INVESTIMENTOS	\$2 MILLION	\$2 MILLION	10-31-76
Q) BANCO REAL	\$20 MILLION	\$3.5 MILLION	8-31-76
R) BANCO NATIONAL DE I	\$8 MILLION	\$4.5 MILLION	9-30-76

4. EACH OF THE ABOVE BANKS WILL BE SENT A LISTING OF ALL CFF CREDITS UNDER THE CFF LINE AND WILL BE ASKED TO VERIFY BALANCE FIGURES.

5. BRAZILIAN CFF'S BEING CONSIDERED FOR EXTENSION OR INCREASE:

- A) BANCO REAL - \$20 MILLION TO \$25 MILLION
- B) BANCO BOZANO - \$3 MILLION TO \$5 MILLION INCREASE
- C) BANCO MERCANTIL - EXTENSION OF \$4 MILLION CFF TO OCT 1976.

6. PORTUGUESE VERSION OF CFF BUSINESSMAN'S GUIDE IS BEING
PRINTED. WE HOPE TO SEND AMCONSUL, SAO PAULO 250 COPIES AS
REQUESTED BY SECOND WEEK IN NOV.
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